



3015 (02-09-04)

ANNUAL REPORT

OF

Name: OSSEO MUNICIPAL WATER UTILITY

Principal Office: 13712 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

For the Year Ended: DECEMBER 31, 2003

**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: OSSEO MUNICIPAL WATER UTILITY**Utility Address:** 13712 8TH STREET

P.O. BOX 308

OSSEO, WI 54758

When was utility organized? 1/1/1928**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MR JAMES R DEICH**Title:** PUBLIC WORKS DIRECTOR**Office Address:**

13712 8TH STREET

OSSEO, WI 54758

Telephone: (715) 597 - 2207**Fax Number:** (715) 597 - 2600**E-mail Address:** N/A

Individual or firm, if other than utility employee, preparing this report:

Name: KRISTI ZARINS, CPA**Title:** SENIOR ACCOUNTANT**Office Address:** VIRCHOW KRAUSE AND COMPANY, LLP

P.O. BOX 1148

EAU CLAIRE, WI 54702

Telephone: (715) 833 - 1717 EXT 12**Fax Number:** (715) 836 - 7877**E-mail Address:** kzarins@virchowkrause.com

President, chairman, or head of utility commission/board or committee:

Name: TOM TWESME**Title:** MAYOR**Office Address:**

13712 8TH STREET

P.O. BOX 308

OSSEO, WI 54758

Telephone: (715) 897 - 2207**Fax Number:** (715) 597 - 2600**E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name:**Title:**

Office Address: VIRCHOW KRAUSE AND COMPANY, LLP
P.O. BOX 1148
EAU CLAIRE, WI 54702

Telephone: (715) 833 - 1717 EXT 12**Fax Number:** (715) 836 - 7877**E-mail Address:** kzarins@virchowkrause.com**Date of most recent audit report:** 2/27/2003**Period covered by most recent audit:** THE YEAR ENDED DECEMBER 31, 2002

Names and titles of utility management including manager or superintendent:

Name: MR DALE OLSON**Title:** UTILITY SUPERINDENDENT**Office Address:**

13712 8TH STREET
P.O. BOX 308
OSSEO, WI 54758

Telephone: (715) 597 - 2207**Fax Number:** (715) 597 - 2600**E-mail Address:** N/A

Name of utility commission/committee: OSSEO CITY COUNCIL

Names of members of utility commission/committee:

MR JIM DEICH, PUBLIC WORKS DIRECTOR
MR TODD KITTLESON, CITY COUNCIL MEMBER
MR TOM TWESME, MAYOR
MR LONNIE ZINGSHIEM

Is sewer service rendered by the utility? NO

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	377,196	365,838	1
Operating Expenses:			
Operation and Maintenance Expense (401)	164,957	157,998	2
Depreciation Expense (403)	38,463	59,613	3
Amortization Expense (404)	584	244	4
Taxes (408)	69,209	70,421	5
Total Operating Expenses	273,213	288,276	
Net Operating Income	103,983	77,562	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	103,983	77,562	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	2,223	7,234	9
Miscellaneous Nonoperating Income (421)	700	0	10
Total Other Income	2,923	7,234	
Total Income	106,906	84,796	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	23,378	0	12
Total Miscellaneous Income Deductions	23,378	0	
Income Before Interest Charges	83,528	84,796	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	10,902	13,646	13
Amortization of Debt Discount and Expense (428)	0		14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	809	18
Total Interest Charges	10,902	12,837	
Net Income	72,626	71,959	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	301,906	(73,750)	19
Balance Transferred from Income (433)	72,626	71,959	20
Miscellaneous Credits to Surplus (434)	942,765	303,697	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)		0	24
Total Unappropriated Earned Surplus End of Year (216)	1,317,297	301,906	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	377,196		377,196	1
Total (Acct. 400):	377,196	0	377,196	
Operation and Maintenance Expense (401):				
Derived	164,957		164,957	2
Total (Acct. 401):	164,957	0	164,957	
Depreciation Expense (403):				
Derived	38,463		38,463	3
Total (Acct. 403):	38,463	0	38,463	
Amortization Expense (404):				
Derived	584		584	4
Total (Acct. 404):	584	0	584	
Taxes (408):				
Derived	69,209		69,209	5
Total (Acct. 408):	69,209	0	69,209	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	103,983	0	103,983	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST ON INVESTMENTS	2,223	0	2,223	10
Total (Acct. 419):	2,223	0	2,223	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water			0	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
CONTRIBUTIONS IN AID OF CONTRUCTION	700	0	700 12
Total (Acct. 421):	700	0	700
TOTAL OTHER INCOME:	2,923	0	2,923

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
NONE	0	0	0 13
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water	0	23,378	23,378 14
NONE	0	0	0 15
Total (Acct. 426):	0	23,378	23,378
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	0	23,378	23,378

INTEREST CHARGES**Interest on Long-Term Debt (427):**

Derived	10,902	0	10,902 16
Total (Acct. 427):	10,902	0	10,902

Amortization of Debt Discount and Expense (428):

NONE	0	0	0 17
Total (Acct. 428):	0	0	0

Amortization of Premium on Debt--Cr. (429):

NONE	0	0	0 18
Total (Acct. 429):	0	0	0

Interest on Debt to Municipality (430):

Derived	0	0	0 19
Total (Acct. 430):	0	0	0

Other Interest Expense (431):

Derived	0	0	0 20
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 21
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	10,902	0	10,902
NET INCOME:	96,004	(23,378)	72,626
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	301,906	0	301,906 22
Total (Acct. 216):	301,906	0	301,906
Balance Transferred from Income (433):			
Derived	96,004	(23,378)	72,626 23
Total (Acct. 433):	96,004	(23,378)	72,626
Miscellaneous Credits to Surplus (434):			
ELIMINATION OF CIAC ACCOUNT		942,765	942,765 24
Total (Acct. 434):	0	942,765	942,765
Miscellaneous Debits to Surplus--Debit (435):			
NONE	0	0	0 25
Total (Acct. 435)--Debit:	0	0	0
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 26
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	397,910	919,387	1,317,297

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	377,196	0	0	0	377,196	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	377,196	0	0	0	377,196	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	3,103,820	2,987,221	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	1,099,208	758,550	2
Net Utility Plant	2,004,612	2,228,671	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	386,703	352,734	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	22,781	22,423	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0	0	14
Materials and Supplies (150)	8,524	6,522	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	418,008	381,679	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	5,599	6,183	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	5,599	6,183	
Total Assets and Other Debits	2,428,219	2,616,533	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	826,735	785,581	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	1,317,297	301,906	23
Total Proprietary Capital	2,144,032	1,087,487	
LONG-TERM DEBT			
Bonds (221)	243,970	260,100	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	243,970	260,100	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	36,556	8,084	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	865	4,562	32
Other Current and Accrued Liabilities (238)	2,796	2,631	33
Total Current and Accrued Liabilities	40,217	15,277	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	1,253,669	38
Total Liabilities and Other Credits	2,428,219	2,616,533	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	2,987,221	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,818,856	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	1,284,964	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	3,103,820	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	775,904	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	323,304	0	0	0	12
Total Accumulated Provision	1,099,208	0	0	0	
Net Utility Plant	2,004,612	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	758,550				758,550	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	38,463				38,463	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	1,902				1,902	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	40,365	0	0	0	40,365	13
Debits during year						14
Book cost of plant retired	23,011				23,011	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	23,011	0	0	0	23,011	19
Balance end of year (110.1)	775,904	0	0	0	775,904	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.2):

1. Report the amounts charged to Depreciation Expense (426).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.2)					0	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	23,378				23,378	4
Accruals charged other						5
accounts (specify):						6
					0	7
Salvage					0	8
Other credits (specify):						9
Est. deprec on contrib plnt 1/1/03	310,904				310,904	10
Total credits	334,282	0	0	0	334,282	11
Debits during year						12
Book cost of plant retired	10,978				10,978	13
Cost of removal					0	14
Other debits (specify):						15
					0	16
Total debits	10,978	0	0	0	10,978	17
Balance end of year (110.2)	323,304	0	0	0	323,304	18
Composite Depreciation Rate?	No					19
If yes, what is the rate?						20

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
CONSTRUCTION IN PROGRESS	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	8,524	6,522	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	8,524	6,522	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
WATER DEBT ISSUANCE COSTS	584	428	5,599	1
Total			5,599	
Unamortized premium on debt (251)				
NONE				2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	785,581	1
Changes during year (explain):		
FIXED ASSETS CONTRIBUTED BY TIFD	41,154	2
Balance end of year	826,735	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
2002 WATER REVENUE BONDS	08/01/2002	12/01/2013	4.39%	243,970	1
Total Bonds (Account 221):				243,970	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	69,209	2
Charged electric department expense		3
Charged sewer department expense	753	4
Other (explain):		
NONE		5
Total Accruals and other credits	69,962	
Taxes paid during year:		
County, state and local taxes	65,098	6
Social Security taxes	4,457	7
PSC Remainder Assessment	407	8
Other (explain):		
NONE		9
Total payments and other debits	69,962	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
1994 WATER REVENUE BONDS0	0			0	1
2002 WATER REVENUE BONDS	4,562	10,902	14,599	865	2
Subtotal	4,562	10,902	14,599	865	
Advances from Municipality (223)					
ADVANCE TO GENERAL FUND	0			0	3
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
CLEAN WATER FUND	0			0	4
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	4,562	10,902	14,599	865	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	22,781	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	22,781	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Payables to Municipality (233):	
NONE	16
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	17
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	1,769,492	0	0	0	1,769,492	1
Materials and Supplies	7,523	0	0	0	7,523	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	767,227	0	0	0	767,227	4
Customer Advances for Construction					0	5
NONE					0	6
Average Net Rate Base	1,009,788	0	0	0	1,009,788	
Net Operating Income	103,983	0	0	0	103,983	7
Net Operating Income as a percent of						
Average Net Rate Base	10.30%	N/A	N/A	N/A	10.30%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Signature Page (Page ii)

General footnotes

ACCOUNTANTS' COMPILATION REPORT

To the City Council
City of Osseo
Osseo, WI 54758

We have compiled, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, the balance sheets of the Osseo Water Utility, an enterprise fund of the City of Osseo, as of December 31, 2003 and 2002, and the related statements of income and retained earnings for the year ended December 31, 2003 in the accompanying prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplemental schedules referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and related supplemental schedules are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements and schedules are not designed for those who are not informed about such differences.

VIRCHOW, KRAUSE & COMPANY, LLP

Eau Claire, Wisconsin
February 25, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,253,669	0	0	0	0	1,253,669	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	1,253,669					1,253,669	3
Balance End of Year	0	0	0	0	0	0	

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	374,175	361,201	1
Total Sales of Water	374,175	361,201	
Other Operating Revenues			
Forfeited Discounts (470)	507	510	2
Other Water Revenues (474)	2,514	4,127	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues	3,021	4,637	
Total Operating Revenues	377,196	365,838	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	100,617	93,556	5
General Operating Expenses (680-690)	64,340	64,442	6
Total Operation and Maintenance Expenses	164,957	157,998	
Other Operating Expenses			
Depreciation Expense (403)	38,463	59,613	7
Amortization Expense (404)	584	244	8
Taxes (408)	69,209	70,421	9
Total Other Operating Expenses	108,256	130,278	
Total Operating Expenses	273,213	288,276	
NET OPERATING INCOME	103,983	77,562	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial	7	1,607	1,632	2
Industrial				3
Total Unmetered Sales to General Customers (460)	7	1,607	1,632	
Metered Sales to General Customers (461)				
Residential	674	28,779	122,942	4
Commercial	108	20,545	58,548	5
Industrial				6
Total Metered Sales to General Customers (461)	782	49,324	181,490	
Private Fire Protection Service (462)	4		2,435	7
Public Fire Protection Service (463)	1		162,017	8
Other Sales to Public Authorities (464)	31	9,702	26,601	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	825	60,633	374,175	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	162,017	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	162,017	
Forfeited Discounts (470):		
Customer late payment charges	507	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	507	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	1,803	7
Other (specify):		
OTHER MISCELLANEOUS	711	8
Total Other Water Revenues (474)	2,514	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	41,325	37,630	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	19,937	15,098	3
Chemicals (630)	25,001	19,809	4
Supplies and Expenses (640)	2,586	4,523	5
Repairs of Water Plant (650)	10,209	11,681	6
Transportation Expenses (660)	1,559	4,815	7
Total Plant Operation and Maintenance Expenses	100,617	93,556	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	20,153	22,544	8
Office Supplies and Expenses (681)	3,922	3,930	9
Outside Services Employed (682)	11,719	14,566	10
Insurance Expense (684)	19,084	13,057	11
Employees Pensions and Benefits (686)	6,811	8,111	12
Regulatory Commission Expenses (688)		0	13
Miscellaneous General Expenses (689)	2,651	2,144	14
Uncollectible Accounts (690)		90	15
Total General Operating Expenses	64,340	64,442	
Total Operation and Maintenance Expenses	164,957	157,998	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent		65,097	66,183	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		752	714	2
Net property tax equivalent		64,345	65,469	
Social Security		4,457	4,597	3
PSC Remainder Assessment		407	355	4
Other (specify): NONE			0	5
Total tax expense		69,209	70,421	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Trempealeau				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.212747				3
County tax rate	mills		6.568267				4
Local tax rate	mills		9.094448				5
School tax rate	mills		13.260822				6
Voc. school tax rate	mills		1.816318				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		30.952602				10
Less: state credit	mills		1.571978				11
Net tax rate	mills		29.380624				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		9.094448				14
Combined School Tax Rate	mills		15.077140				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		24.171588				17
Total Tax Rate	mills		30.952602				18
Ratio of Local and School Tax to Total	dec.		0.780923				19
Total tax net of state credit	mills		29.380624				20
Net Local and School Tax Rate	mills		22.943995				21
Utility Plant, Jan. 1	\$	2,987,221	2,987,221				22
Materials & Supplies	\$	6,522	6,522				23
Subtotal	\$	2,993,743	2,993,743				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	2,993,743	2,993,743				26
Assessment Ratio	dec.		0.947713				27
Assessed Value	\$	2,837,209	2,837,209				28
Net Local & School Rate	mills		22.943995				29
Tax Equiv. Computed for Current Year	\$	65,097	65,097				30
Tax Equivalent per 1994 PSC Report	\$	48,646					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	65,097					34

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	10,439		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	16,741		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	2,085		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	29,265	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	3,095		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	96,408	23,331	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	99,503	23,331	
WATER TREATMENT PLANT			
Land and Land Rights (330)	300		21
Structures and Improvements (331)	18,018		22
Water Treatment Equipment (332)	33,231	3,781	23
Total Water Treatment Plant	51,549	3,781	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			10,439	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			16,741	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			2,085	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	29,265	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			3,095	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			119,739	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	122,834	
WATER TREATMENT PLANT				
Land and Land Rights (330)			300	21
Structures and Improvements (331)			18,018	22
Water Treatment Equipment (332)			37,012	23
Total Water Treatment Plant	0	0	55,330	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	760		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	972,909		26
Transmission and Distribution Mains (343)	1,215,241	53,927	27
Fire Mains (344)	0		28
Services (345)	240,564	12,495	29
Meters (346)	69,151	13,147	30
Hydrants (348)	238,160	15,057	31
Other Transmission and Distribution Plant (349)	19,996		32
Total Transmission and Distribution Plant	2,756,781	94,626	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	1,667		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	18,568		37
Other General Equipment (379)	16,465		38
Other Tangible Property (390)	0		39
Total General Plant	36,700	0	
Total utility plant in service directly assignable	2,973,798	121,738	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,973,798	121,738	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			760	24
Structures and Improvements (341)			0	25
Distribution Reservoirs and Standpipes (342)		(376,737)	596,172	26
Transmission and Distribution Mains (343)	7,232	(566,014)	695,922	27
Fire Mains (344)			0	28
Services (345)	230	(237,366)	15,463	29
Meters (346)	13,138		69,160	30
Hydrants (348)	2,411	(73,552)	177,254	31
Other Transmission and Distribution Plant (349)			19,996	32
Total Transmission and Distribution Plant	23,011	(1,253,669)	1,574,727	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			1,667	35
Computer Equipment (372.1)			0	36
Transportation Equipment (373)			18,568	37
Other General Equipment (379)			16,465	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	36,700	
Total utility plant in service directly assignable	23,011	(1,253,669)	1,818,856	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	23,011	(1,253,669)	1,818,856	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>0</u>	<u>0</u>	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			24
Structures and Improvements (341)			25
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)		28,243	27
Fire Mains (344)			28
Services (345)		5,076	29
Meters (346)			30
Hydrants (348)		8,954	31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	42,273	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)			35
Computer Equipment (372.1)			36
Transportation Equipment (373)			37
Other General Equipment (379)			38
Other Tangible Property (390)			39
Total General Plant	0	0	
Total utility plant in service directly assignable	0	42,273	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	0	42,273	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)		376,737	376,737 26
Transmission and Distribution Mains (343)	7,227	566,014	587,030 27
Fire Mains (344)			0 28
Services (345)	3,344	237,366	239,098 29
Meters (346)			0 30
Hydrants (348)	407	73,552	82,099 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	10,978	1,253,669	1,284,964
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	10,978	1,253,669	1,284,964
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	10,978	1,253,669	1,284,964

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			6,711	6,711	1
February			6,331	6,331	2
March			7,507	7,507	3
April			6,279	6,279	4
May			6,378	6,378	5
June			8,128	8,128	6
July			7,817	7,817	7
August			9,576	9,576	8
September			7,870	7,870	9
October			7,254	7,254	10
November			6,014	6,014	11
December			7,004	7,004	12
Total annual pumpage	0	0	86,869	86,869	
Less: Water sold				60,633	13
Volume pumped but not sold				26,236	14
Volume sold as a percent of volume pumped				70%	15
Volume used for water production, water quality and system maintenance				8,473	16
Volume related to equipment/system malfunction				595	17
Non-utility volume NOT included in water sales				182	18
Total volume not sold but accounted for				9,250	19
Volume pumped but unaccounted for				16,986	20
Percent of water lost				20%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				436	23
Date of maximum: 6/19/2003					24
Cause of maximum:					25
Filling of swimming pool					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				59	26
Date of minimum: 11/4/2003					27
Total KWH used for pumping for the year				187,840	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
12TH AND ROSE	2	170	15	80,000	Yes	1
9TH AND CHARLES	3	222	20	140,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	2	3	1
Location	ROSE	9TH	2
Purpose	P	P	3
Destination	D	D	4
Pump Manufacturer	FRANKLIN ELECTRIC	US ELECTRIC	5
Year Installed	1999	1965	6
Type	SUBMERSIBLE	VERTICAL TURBINE	7
Actual Capacity (gpm)	215	450	8
Pump Motor or Standby Engine Mfr	SPECTRUM	GE	10
Year Installed	2000	1965	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	50	15	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22
Year Installed			23
Type			24
Horsepower			25
			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	2	3	4	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	ET	R	4
				5
Year constructed	1975	1984	1997	6
				7
Primary material (earthen, steel, concrete, other)	CONCRETE	STEEL	STEEL	8
				9
Elevation difference in feet (See Headnote 3.)	50	136	45	10
				11
Total capacity in gallons (actual)	250,000	250,000	400,000	12
WATER TREATMENT PLANT				13
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID		14
				15
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE		16
				17
Filters, type (gravity, pressure, other, none)	GRAVITY	OTHER		18
				19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	50.0000	250.0000		20
				21
Is a corrosion control chemical used (yes, no)?	Y	Y		22
				23
Is water fluoridated (yes, no)?	N	N		24
				25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	2.000	229	0	0	0	229
M	D	3.000	467	0	0	0	467
M	D	4.000	4,225	0	0	262	4,487
M	D	6.000	38,111	36	36	(262)	37,849
M	D	8.000	25,288	853	1,046	0	25,095
P	D	8.000	5,709	722	0	0	6,431
M	D	10.000	4,591	0	0	0	4,591
P	D	10.000	3,422	0	0	0	3,422
M	D	12.000	2,328	0	0	0	2,328
P	D	12.000	6,562	0	0	0	6,562
Total Within Municipality			90,932	1,611	1,082	0	91,461
Total Utility			90,932	1,611	1,082	0	91,461

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	643	0	13	0	630	17	1
M	1.000	180	10	0	0	190	64	2
M	1.250	3	0	0	0	3		3
M	1.500	14	0	0	0	14	5	4
M	2.000	15	4	0	0	19	10	5
M	3.000	3	0	0	0	3		6
M	4.000	10	0	0	0	10	2	7
P	6.000	1	0	0	0	1		8
M	6.000	3	1	0	0	4	2	9
M	8.000	3	0	0	0	3	1	10
Total Utility		875	15	13	0	877	101	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.750	819	140	166	0	793	140	1
1.000	27	0	0	(1)	26	0	2
1.250	1	0	0	0	1	0	3
1.500	16	0	0	0	16	0	4
2.000	6	2	0	2	10	2	5
3.000	9	1	1	0	9	1	6
4.000	1	0	0	0	1	0	7
Total:	879	143	167	1	856	143	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.750	675	67	0	18	0	33	793	1
1.000	0	23	0	2	0	1	26	2
1.250	0	1	0	0	0	0	1	3
1.500	0	13	0	1	0	2	16	4
2.000	0	4	0	2	0	4	10	5
3.000	0	2	0	6	0	1	9	6
4.000	0	0	0	1	0	0	1	7
Total:	675	110	0	30	0	41	856	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	6				6	1
Within Municipality	161	4	2		163	2
Total Fire Hydrants	167	4	2	0	169	
Flushing Hydrants						
	2				2	3
Total Flushing Hydrants	2	0	0	0	2	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:	169
Number of distribution system valves end of year:	294
Number of distribution valves operated during year:	90

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Power purchased for pumping (Account 620) increased over the prior year primarily due to a large rate increase.

Insurance Expense (Account 684) increased over the prior year due to an increase in premiums as well as one employee switching from single coverage to family coverage.

Transportation Expenses (Account 660) included several repairs to vehicles in 2002. There were no such repairs required in 2003, therefore this account decreased from the prior year.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Additions for Accounts OTHER than 316, 343, 345, 346 and 348 exceed \$10,000, please explain. If applicable, provide construction authorization.

The city had two pumps rebuilt during 2003. These costs were capitalized in Account 325.

If Adjustments for any account are nonzero, please explain.

The adjustments in Accounts 342, 343, 345, and 348 are to remove the contributed plant out of these accounts. These same numbers are positive adjustments on schedule W-10.

Water Utility Plant in Service --Plant Financed by Contributions-- (Page W-10)

If Adjustments for any account are nonzero, please explain.

The adjustments in Accounts 342, 343, 345, and 348 are the beginning balances calculated for contributed plant. These numbers are shown as negative adjustments on schedule W-8.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

New mains were financed partially by the utility and partially by the municipality.

Water Services (Page W-18)

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

Services were financed in part by the municipality and in part by the utility. Some of the services were financed by property owners.

Meters (Page W-19)

Explain all reported adjustments.

Per review of utility records, the number of 1" meters was misstated. We have adjusted the PSC schedule to agree to utility records.
